

EXHIBIT 478

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

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IN RE: NATIONAL	:	
PRESCRIPTION	:	MDL No. 2804
OPIATE LITIGATION	:	
	:	Case No.
	:	1:17-MD-2804
THIS DOCUMENT RELATES	:	
TO ALL CASES	:	Hon. Dan A. Polster

- - -

Thursday, January 3, 2019

HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
CONFIDENTIALITY REVIEW

- - -

Videotaped deposition of JILL A. STRANG, held
at the offices of Cavitch, Familo & Durkin,
1300 East Ninth Street, Cleveland, Ohio, commencing at
8:57 a.m., on the above date, before Carol A. Kirk,
Registered Merit Reporter and Notary Public.

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877.370.3377 ph | 917.591.5672 fax
deps@golkow.com

<p style="text-align: right;">Page 206</p> <p>1 show us something in writing, not that they --</p> <p>2 that they didn't want us to have something in</p> <p>3 writing.</p> <p>4 Q. Okay.</p> <p>5 A. Yeah, just the policy itself.</p> <p>6 Q. So based on that document and the</p> <p>7 testimony you just gave me, it sounds like you</p> <p>8 don't actually know what the nature and extent</p> <p>9 of DDM's SOM policies are, correct?</p> <p>10 A. Correct.</p> <p>11 Q. All right. Let's go to</p> <p>12 Exhibit 12, which is DDM74952.</p> <p>13 ---</p> <p>14 (DDM-Strang Exhibit 12 marked.)</p> <p>15 ---</p> <p>16 Q. There's two pages here, but the</p> <p>17 second page is just a bunch of gibberish so</p> <p>18 we're going to look at the bottom of the first</p> <p>19 page.</p> <p>20 This is an e-mail from Pete Ratycz</p> <p>21 on January 20, 2017 that was ultimately</p> <p>22 forwarded to you, but I want to look at this</p> <p>23 e-mail.</p> <p>24 It says, "Chris, I think we need</p>	<p style="text-align: right;">Page 208</p> <p>1 "We need to develop," it says "we need to</p> <p>2 consider developing" --</p> <p>3 A. Okay.</p> <p>4 Q. -- "reporting to help us</p> <p>5 effectively identify outliers and/or suspicious</p> <p>6 store ordering," correct?</p> <p>7 MR. JOHNSON: Objection.</p> <p>8 Q. Does DDM have reporting now that</p> <p>9 helps it effectively identify outliers and/or</p> <p>10 suspicious store ordering, that you know of?</p> <p>11 A. Other than what I've used myself,</p> <p>12 I do not know.</p> <p>13 Q. Okay. Do you know why this was</p> <p>14 forwarded to you?</p> <p>15 A. I do not.</p> <p>16 Q. Did you do anything with this</p> <p>17 e-mail?</p> <p>18 A. I did not.</p> <p>19 Q. Did you assist in looking at</p> <p>20 developing reporting that we were discussing</p> <p>21 earlier?</p> <p>22 A. No. I think we -- somebody would</p> <p>23 have been letting me know that he was going to</p> <p>24 be doing audits for those stores. That's all.</p>
<p style="text-align: right;">Page 207</p> <p>1 to reemphasize our controlled substance program</p> <p>2 at the upcoming pharmacist meeting. Also, we</p> <p>3 need to look at developing reporting to help us</p> <p>4 effectively identify outliers and/or suspicious</p> <p>5 store ordering."</p> <p>6 Do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. And, again, this is dated</p> <p>9 January 20, 2017, correct?</p> <p>10 A. Yes.</p> <p>11 Q. So that was just about two years</p> <p>12 ago. So this would suggest that as of January</p> <p>13 of 2017, DDM did not have reporting to help it</p> <p>14 effectively identify outliers and/or suspicious</p> <p>15 store ordering, correct?</p> <p>16 MR. JOHNSON: Objection.</p> <p>17 A. I would say that to develop it</p> <p>18 more than what we were currently using.</p> <p>19 Q. Well, you're reading the word</p> <p>20 "more" in there, aren't you? That word doesn't</p> <p>21 appear there, does it?</p> <p>22 A. No.</p> <p>23 Q. Okay. So it just says, "We need</p> <p>24 to look at developing," which doesn't even say</p>	<p style="text-align: right;">Page 209</p> <p>1 Q. And the subject of this e-mail is,</p> <p>2 "DEA fines Costco 11.75 million over lax U.S.</p> <p>3 pharmacies controls."</p> <p>4 Do you see that?</p> <p>5 A. Yes, I do.</p> <p>6 Q. Did you know about that at all?</p> <p>7 A. No.</p> <p>8 Q. Are you aware that other</p> <p>9 distributors and pharmacies have been fined by</p> <p>10 the DEA for not having strong enough suspicious</p> <p>11 order monitoring policies and procedures?</p> <p>12 A. Yes, but I don't know specifics.</p> <p>13 But yes, I do know of that.</p> <p>14 Q. We're going to look at Exhibit 13</p> <p>15 now, which is DDM467.</p> <p>16 ---</p> <p>17 (DDM-Strang Exhibit 13 marked.)</p> <p>18 ---</p> <p>19 MS. HARRIS: Excuse me. This is</p> <p>20 Shubha Harris on behalf of Walmart. I'm</p> <p>21 having a hard time hearing the witness.</p> <p>22 If you could place the speaker, perhaps,</p> <p>23 closer to her.</p> <p>24 MR. MULLIGAN: She moved the</p>

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Monday, January 7, 2019

HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
CONFIDENTIALITY REVIEW

- - -

Videotaped deposition of TOM NAMETH, held at
the offices of Cavitch, Familo & Durkin,
1300 East Ninth Street, Cleveland, Ohio, commencing at
9:03 a.m., on the above date, before Carol A. Kirk,
Registered Merit Reporter and Notary Public.

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1 A. Yes.

2 Q. And underneath that it says, "Does

3 your company have procedures in place for

4 adhering to the DEA's Know Your Customer

5 policy?"

6 And it says "Yes."

7 Do you see that?

8 A. Yes.

9 Q. And then it says, "We only sell to

10 our own retail locations. All pharmacies are

11 monitoring their patients for abuse potential."

12 Right?

13 A. Yes.

14 Q. And there's nothing in here that

15 says what DDM corporate is doing to monitor its

16 own people and to know its own pharmacists in

17 stores, correct?

18 A. Correct.

19 Q. And as we talked about earlier,

20 all you guys were doing in that respect was,

21 one, you knew who they were, or at least you

22 thought you did, and you knew that they had a

23 license, correct?

24 A. Mm-hmm, yes.

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1 Q. Okay. And you also remember we

2 looked at that DEA letter which says that you

3 actually can't rely upon your pharmacists,

4 right? You have a corresponding obligation as a

5 distributor, correct?

6 MR. JOHNSON: Objection.

7 A. I think that, in my opinion,

8 referred to the stores themselves, of the

9 customers at the end --

10 Q. And we're splitting hairs on that,

11 but you'd agree that you can't rely on the store

12 to determine or prevent diversion, you have to

13 do it too, right?

14 A. Well, we're going to continue to

15 split hairs on that, because we knew our

16 customers.

17 Q. But you didn't, and you've

18 testified you didn't, because we went through a

19 whole pile of documents that show that DDM

20 employees, which included pharmacists, were not

21 only stealing drugs but they were addicted to

22 them, right?

23 MR. JOHNSON: Objection.

24 A. We were sending them to legitimate

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1 locations, okay? So we can never be 100 percent

2 on any employee in any business. It doesn't

3 matter what you're doing; you have the potential

4 for theft.

5 Q. Okay. And we've identified one

6 way that you can weed out those bad people,

7 though, and that's through drug screening,

8 right?

9 A. That necessarily won't be

10 100 percent effective.

11 Q. But it's better than nothing,

12 isn't it?

13 A. Yes.

14 Q. Okay. All right. On page 4, you

15 actually attested that DDM is aware of and

16 complies with all laws and regulations enforced

17 by the DEA and applicable state authorities.

18 Do you see that?

19 A. Yes.

20 Q. And then you signed your name?

21 A. Yes.

22 Q. Do you know after you left whether

23 DDM's suspicious order monitoring policies were

24 ever put into writing?

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1 A. I don't know that.

2 Q. Okay. Did DDM ever have reporting

3 to help it effectively identify outlier stores

4 or suspicious store ordering?

5 A. It never identified outlier

6 stores.

7 Q. Did it have effective reporting to

8 help you identify suspicious store ordering?

9 A. Part of our process was looking at

10 possible suspicious store ordering.

11 MR. MULLIGAN: Okay. This is

12 going to be 27, right? It's this one.

13 MR. JOHNSON: 26, I think.

14 MR. KNOLL: 26.

15 MR. MULLIGAN: 26?

16 MR. JOHNSON: Yeah, 26.

17 ---

18 (DDM-Nameth Exhibit 26 marked.)

19 ---

20 BY MR. MULLIGAN:

21 Q. This is DDM74952. This is an

22 e-mail from Pete Ratycz. This is actually dated

23 after you were probably well into retirement.

24 It's dated January 20, 2017. And I just wanted